

Message Text

LIMITED OFFICIAL USE

PAGE 01 TEGUCI 01308 181537Z

ACTION ARA-10

INFO OCT-01 ISO-00 L-03 EB-08 COME-00 TRSE-00 AGRE-00

CIAE-00 INR-07 NSAE-00 SP-02 AID-05 /036 W

-----190952Z 111234 /23-12

R 181502Z MAR 77

FM AMEMBASSY TEGUCIGALPA

TO SECSTATE WASHDC 6125

LIMITED OFFICIAL USE TEGUCIGALPA 1308

E.O. 11652: N/A

TAGS: EAGR, HO

SUBJECT: AGRARIAN REFORM INSTITUTE DIRECTOR RESIGNS

REF: TEGUCIGALPA 1068

SUMMARY: AMID CHARGES FROM PEASANT GROUPS OF STOPPAGE IN AGRARIAN REFORM PROGRAM AND FROM PRIVATE FARM GROUPS (INCLUDING LATI-FUNDISTAS) OF EXCESSIVE ZEAL, RIGOBERTO SANDOVAL VACATED THE DIRECTORSHIP OF HONDURAS AGRARIAN REFORM INSTITUTE (INA) MARCH 15. WHILE REPORTED BY MEDIA AS RESIGNATION, HIS DEMISE HAD BEEN RUMORED FOR THREE WEEKS AND MAY BE RESULT OF DECISION BY CHIEF OF STATE MELGAR AND SUPERIOR DEFENSE COUNCIL TO MODERATE INA PROGRAM. SANDOVAL'S EFFECTIVENESS HAD ALREADY BEEN UNDERMINED WITH DEFECTION OF PEASANT GROUPS AND WITH HIS INTERNAL DISPUTES WITH INA STAFF. HIS DEPARTURE SHOULD NOT ADVERSELY AFFECT EXPROPRIATION NEGOTIATION BETWEEN UNITED BRANDS AND A NEW CABINET COMMITTEE SET UP TO DEAL WITH AGRARIAN REFORM MATTERS.

1. THE RESIGNATION OF RIGOBERTO SANDOVAL COREA AS EXECUTIVE DIRECTOR OF HONDURAS' AGRARIAN REFORM INSTITUTE (INA), SUBMITTED MARCH 14, WAS ACCEPTED WITH IMMEDIATE EFFECT LATE THE FOLLOWING DAY BY CHIEF OF STATE GENERAL MELGAR. NO ANNOUNCEMENT WAS MADE AT THE TIME AS TO HIS SECESSOR, BUT LA PRENSA CITED GOH SOURCES IN REPORTING THAT EX-DEPUTY DIRECTOR FAVIO

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 TEGUCI 01308 181537Z

SALGADO, WHO SANDOVAL FORCED OUT OF INA JUST EIGHT DAYS EARLIER, WOULD RETURN AS INA DIRECTOR. ON MARCH 16 SALGADO WAS FORMALLY RESTORED AS DEPUTY DIRECTOR.

2. SANDOVAL'S RESIGNATION FOLLOWS SEVERAL MONTHS OF PRESSURE BY ORGANIZATIONS REPRESENTING CATTLEMEN AND FARMERS TO FORCE CHANGES IN LAND REFORM LAW OF 1975 OR AT LEAST MODERATION IN

ITS IMPLEMENTATION. THESE AND OTHER PRIVATE SECTOR GROUPS ALSO CHARGED SANDOVAL WITH UNDERTAKING AGRARIAN REFORM WITH EXCESSIVE ZEAL AND DISREGARDING LEGAL PROVISIONS FOR EXEMPTION FROM EXPROPRIATION LAND ALREADY IN PRODUCTIVE USE. THEY POINTED OUT THAT UNCERTAINTY OVER LAND TENURE WAS UNDERMINING COMMERCIAL AGRICULTURE AND THAT BANKS WERE RELUCTANT TO EXTEND CREDITS TO PRIVATE FARMERS. BANKERS ACKNOWLEDGE THAT THEIR LENDING TO AGRICULTURAL SECTOR HAS FALLEN OFF.

3. AS OPPOSITION TO SANDOVAL'S STRONG AGRARIAN REFORM INITIATIVES REACHED A HIGH PITCH IN LATE 1976, GENERAL MELGAR PUBLICLY EXPRESSED SUPPORT FOR HIM AND FOR REFORM PROGRAM. EARLY THIS YEAR HE TROOPED THE WHOLE CABINET FOR AN ON-SITE CEREMONY TO TURN OVER LANDS TO CAMPESINOS. NEVERTHELESS CRACKS IN SANDOVAL'S SUPPORT BEGAN TO APPEAR EARLY IN 1977, AND SENTIMENT FOR MODERATION BEGAN TO EMERGE IN CERTAIN GOH CIRCLES. AT THE SAME TIME, PEASANT GROUPS, WHICH HAD UNTIL THEN ALWAYS SIDED WITH SANDOVAL, BEGAN TO ISSUE STATEMENTS CRITICAL OF HIM AND THE ALLEGED STALLING OF LAND DISTRIBUTION ACTIVITY. THERE WAS CRITICISM OF HIS COLLECTIVISM AND ALLEGATIONS THAT PEASANT FEDERATIONS WERE BEING AFFECTED ADVERSELY BY INA POLICIES.

4. CLIMAX APPROACHED WITH OPEN BREACH BETWEEN SANDOVAL AND TOP MANAGEMENT IN INA IN LATE FEBRUARY, AS RESULT OF WHICH HE FIRED TWO OR MORE DEPARTMENT HEADS AND, AFTER SOME DELAY, SECURED RESIGNATION OF DEPUTY DIRECTOR SALGADO. THIS WAS FOLLOWED ONE WEEK LATER BY APPOINTMENT BY GOH OF AN AGRICULTURAL POLICY COORDINATING COMMITTEE COMPRISED OF MINISTERS OF FINANCE, NATURAL RESOURCES, AND ECONOMY AS WELL AS INA DIRECTOR SANDOVAL. PLANNING DIRECTOR LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 TEGUCI 01308 181537Z

ARTURO CORLETO ALSO NAMED CHAIRMAN OF COMMITTEE.

5. IN SANDOVAL'S LETTER OF RESIGNATION HE COMPLAINED OF ESTABLISHMENT OF THIS COMMITTEE AND OF NAMING CORLETO AS ITS CHAIRMAN, THEREBY RELEGATING HIMSELF, A SENIOR OFFICIAL WITH CABINET RANK TO AN "INFERIOR POSITION." HE ALSO COMPLAINED OF EFFORTS OF TRADITIONAL PRESSURE GROUPS AND GOH OFFICIALS TO OBSTRUCT AGRARIAN REFORM.

6. ANOTHER MAJOR FACTOR CITED BY SANDOVAL WAS DECISION BY AGRICULTURAL POLICY COMMITTEE TO DEFER INITIATION OF LEGAL PROCEEDINGS (ATTEMPTED BY SANDOVAL IN EARLY MARCH) TO EXPROPRIATE 85,000 ACRES OF UNITED BRAND'S LAND (REPORTED TEGUCIGALPA'S 1068)-- AT LEAST UNTIL THE COMPANY HAD SUBMITTED ITS PROPOSAL IN MID-MARCH. (CONSEQUENT CANCELLATION OF UNITED BRANDS OFFICERS' APPOINTMENT MARCH 15 WITH SANDOVAL AND RESULTS OF THEIR TALKS WITH OTHER GOH OFFICERS WILL BE REPORTED SEPTEL.)

7. COMMENT: IT WOULD APPEAR THAT SANDOVAL'S DEMISE RESULTED AS

MUCH FROM THE VIGOR AND MANNER WITH WHICH HE UNDERTOOK AGRARIAN REFORM

AS FROM OPPOSITION BOTH FROM WITHIN AND OUTSIDE THE
GOVERNMENT. IT BECAME ONLY A MATTER OF TIME ONCE CONFLICT
EMERGED IN INA'S UPPER ECHELON, AND CAMPESINO GROUPS DEFECTED.
SANDOVAL'S INITIATIVE RE EXPROPRIATION OF UNITED BRAND'S LAND
MAY HAVE BEEN A FACTOR. CERTAINLY, HE WAS NOT BACKED BY CHIEF
OF STATE WHO ON CONTRARY RESPONDED TO AMBASSADOR'S INITIATIVE
FOR LESS PRECIPITOUS GOH ACTION. THE FACT THAT PLANNING
DIRECTOR CORLETO CHAIRS THE NEW AGRICULTURAL POLICY COMMITTEE
AND THAT IT WAS HE WHO TOOK THE LEAD IN PUTTING THE EXPROPRI-
ATION PROCEEDINGS IN SUSPENSE PENDING CONSIDERATION OF UNTIED
BRANDS' PROPOSAL IS A REJECTION OF SANDOVAL'S APPROACH AND
SUGGESTS THAT THE COMPANY'S POSITION WILL BE GIVEN MORE CAREFUL
AND DELIBERATE CONSIDERATION.
BECKER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LAND REFORMS, GOVERNMENT AGENCIES, PERSONNEL RESIGNATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 18-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977TEGUCI01308
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770094-0932
Format: TEL
From: TEGUCIGALPA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770343/aaaablpj.tel
Line Count: 131
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 11a45cb5-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 TEGUCIGALPA 1068
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 03-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3061089
Secure: OPEN
Status: NATIVE
Subject: AGRARIAN REFORM INSTITUTE DIRECTOR RESIGNS
TAGS: EAGR, HO
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/11a45cb5-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009